

To: Argyropoulos, Paul (b) (6)
From: Larry Schafer
Sent: Mon 2/11/2013 6:13:52 PM
Subject: biodiesel tax incentive slides
[Biodiesel - Fuels Tax Deck \(Petro - Biodiesel\) \(1-8-13\).pptx](#)
[8849 Schedule 3.pdf](#)
[8849.pdf](#)

Paul,

Here is the background information you requested.

The biodiesel, renewable diesel and renewable aviation tax credit.

Diesel fuel excise tax is 24.4 cents per gallon.

The biodiesel tax credit is \$1.00 -- it is a credit against excise tax.

It is refundable (if you have no excise tax liability, then you are still able to receive the tax credit)

In order to take the credit, you must blend biodiesel with diesel fuel – this happens two ways:

1. Biodiesel producers blend B99 (0.1 percent diesel with 99.9% biodiesel) at the biodiesel plant -- when they do biodiesel producers are eligible to take the credit -- and they pass a portion of the tax credit to whoever purchases the biodiesel from them.
2. Petroleum blenders blend B100 with diesel fuel (usually a B2 to B14 blend) – when this happens the biodiesel producer sells B100 and negotiates up front whether they retain any value of the credit before they sell it – under this example – the blender (the petroleum company, or the discretionary blender (Loves, Pilot, etc.)) takes the tax credit. The blenders are the "blender of record" and are subject to excise tax 24.4 cents on each gallon of fuel they put into the market place (because they are putting a taxable fuel into the market place) ...

If you produce the biodiesel in another country then you can sell it as B100 in the United States – the company you sell it to, can then take the tax credit on it --- When produced outside of the United States the product cannot be exported.

Does this help?

I have attached some slides and some instructions ... also included below ...

Let me know if you need more ...

Line 2. Biodiesel or Renewable Diesel Mixture

Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of biodiesel or renewable diesel in the mixture. The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and meet the Environmental Protection Agency's (EPA) registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from

biomass, meet EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act, and meet ASTM D975, D396, or other equivalent standard approved by the IRS. Renewable diesel also includes fuel derived from biomass that meets a Department of Defense specification for military jet fuel or an ASTM specification for aviation turbine fuel. For a renewable diesel mixture used in aviation, kerosene is treated as if it is diesel fuel.

Claim requirements. The biodiesel mixture credit may not be claimed for biodiesel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that is at least 1 week.

2. The claimant has a certificate from the producer.
See Certificate below for details.

3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum,

amounts from lines 1, 2, and 3 may be combined.

4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for a biodiesel mixture sold or used during June and July must be filed by September 30.

Certificate. The Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller must be attached to the first claim filed that is supported by the certificate or statement. For the renewable diesel mixture credit, you must edit the certificate and, if applicable, statement to indicate that the fuel to which the certificate and statement relate is renewable diesel and state the renewable diesel meets the requirements discussed earlier under Claimant. See Model Certificate O and Model Certificate S in Pub. 510. If the certificate and statement are not attached to Schedule 3 because they are attached to a previously-filed claim on Schedule C (Form 720), attach a separate sheet with the following information.

1. Certificate identification number.

2. Total gallons of biodiesel or renewable diesel on certificate.

3. Total gallons claimed on Schedule C (Form 720), line 13.

How to claim the credit. Any biodiesel or renewable diesel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability for gasoline, diesel fuel, and kerosene reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, Form 4136, or Form 8864. See Notice 2005-4 and Notice 2005-62 for more information.

Larry Schafer

National Biodiesel Board

O: (b) (6)

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Biodiesel – America’s Advanced Biofuel!

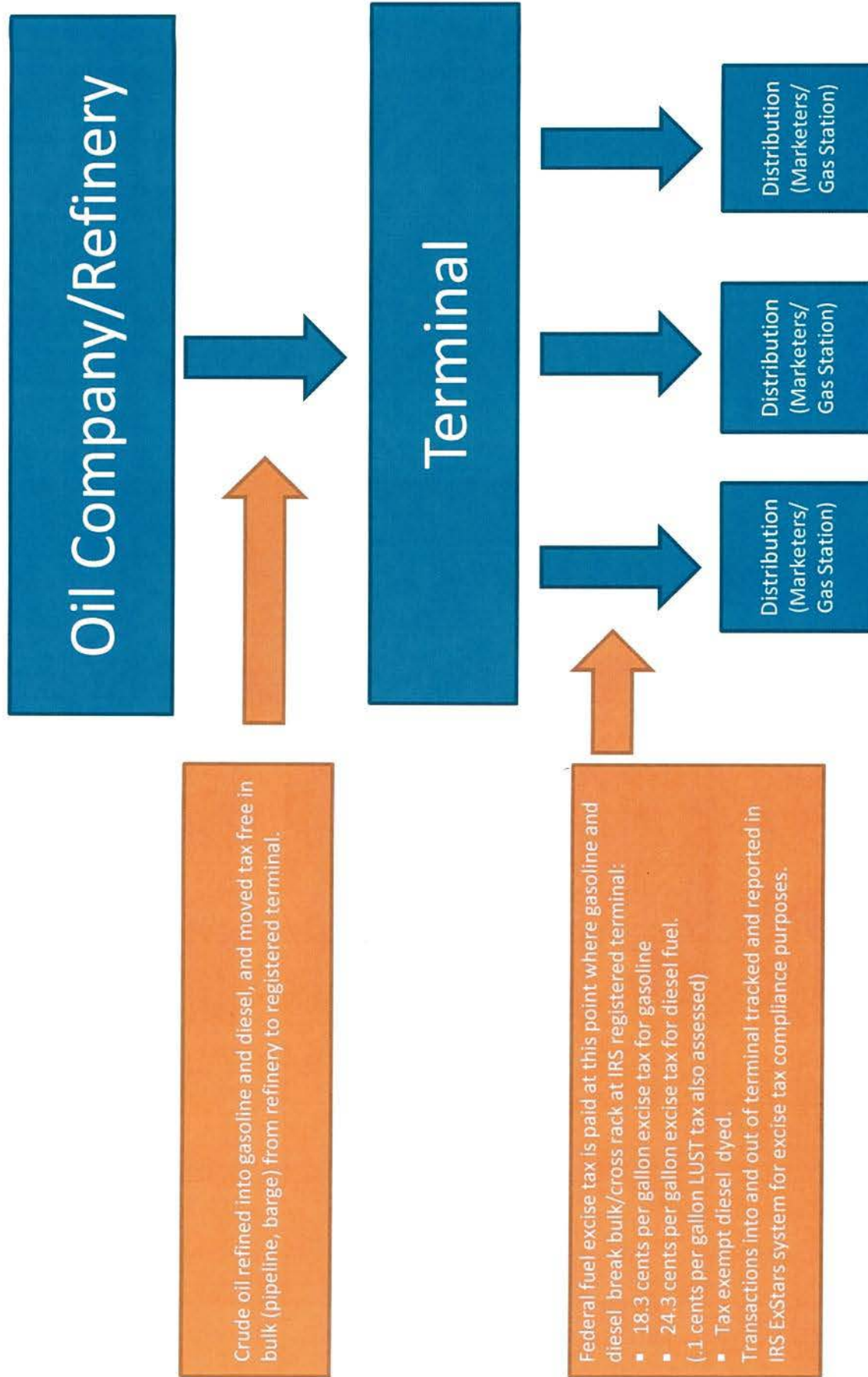
www.americasadvancedbiofuel.com

1331 Pennsylvania Ave. NW

Suite 505

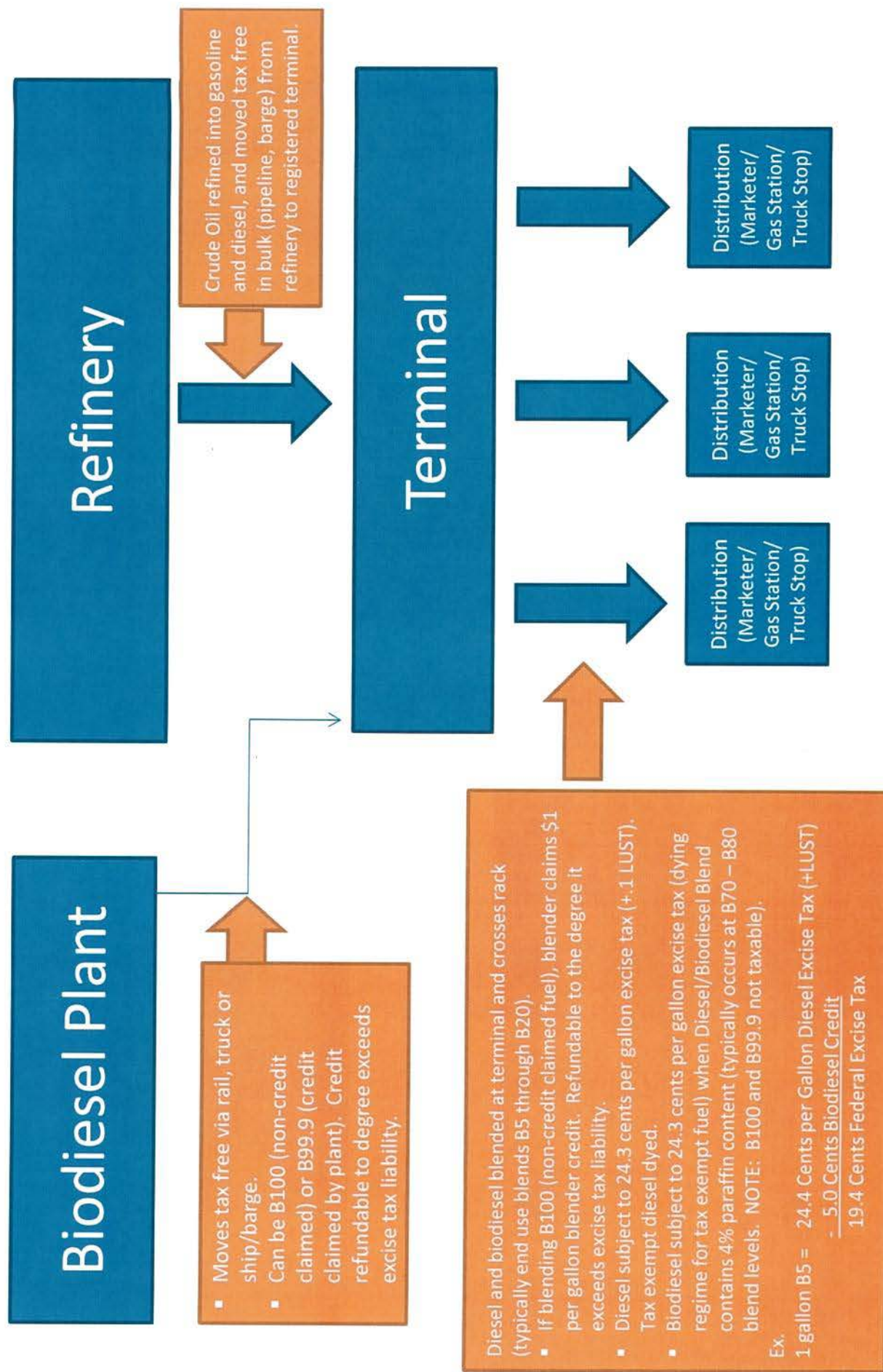
Washington DC 20004

PETROLEUM

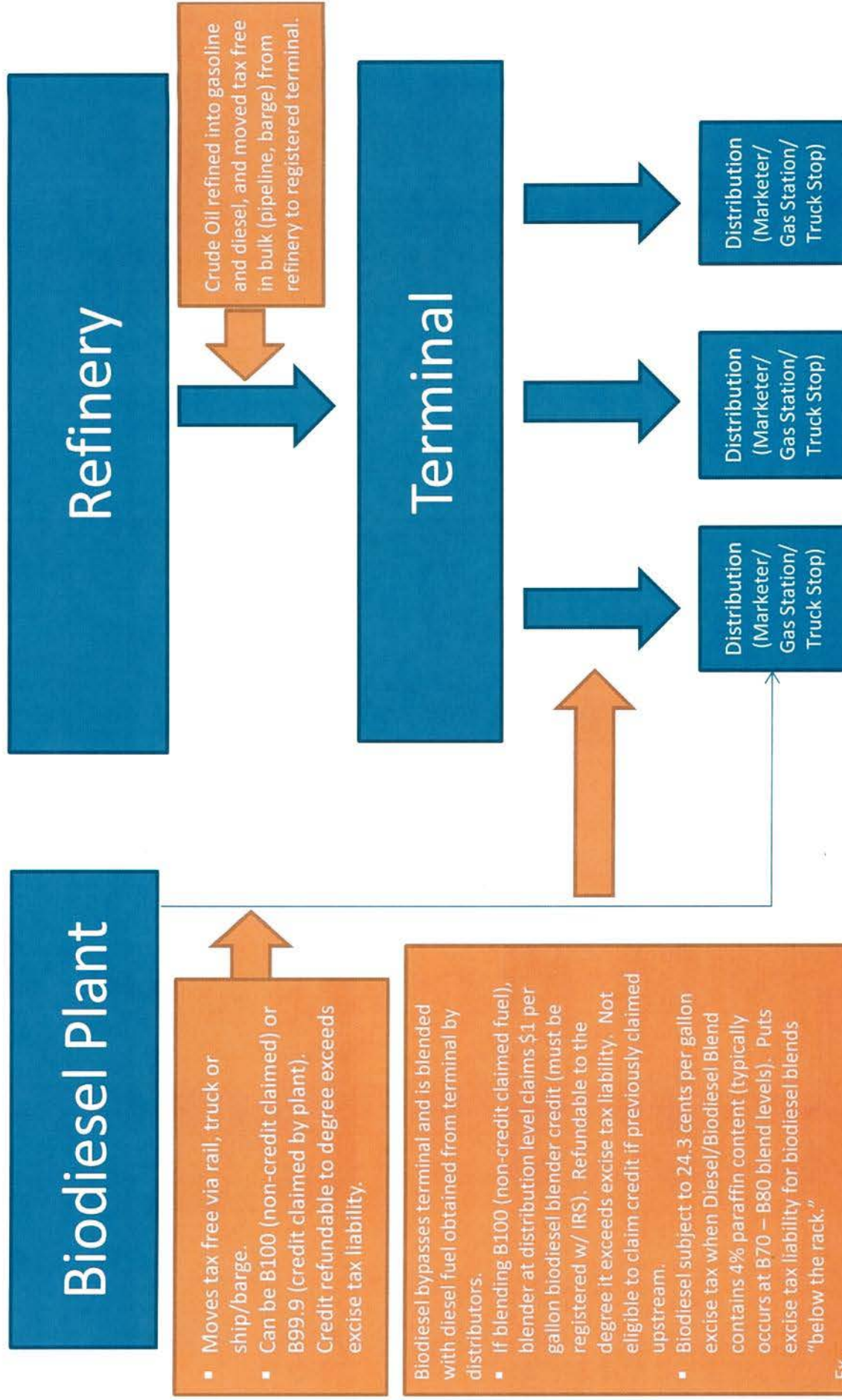


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Biodiesel – “Above the Rack”



Biodiesel – “Below the Rack”



Biodiesel bypasses terminal and is blended with diesel fuel obtained from terminal by distributors.

- If blending B100 (non-credit claimed fuel), blender at distribution level claims \$1. per gallon biodiesel blender credit (must be registered w/ IRS). Refundable to the degree it exceeds excise tax liability. Not eligible to claim credit if previously claimed upstream.
- Biodiesel subject to 24.3 cents per gallon excise tax when Diesel/Biodiesel Blend contains 4% paraffin content (typically occurs at B70 – B80 blend levels). Puts excise tax liability for biodiesel blends “below the rack.”

Ex.

1 gallon B5 =	24.4 Cents Excise Tax (+LUST)
	- 5.0 Cents Biodiesel Credit
	19.4 Cents Federal Excise Tax

**Schedule 3
(Form 8849)**

(Rev. October 2009)

Department of the Treasury
Internal Revenue Service**Certain Fuel Mixtures
and the Alternative Fuel Credit**

© Attach to Form 8849. Do not file with any other schedule.

OMB No. 1545-1420

Name as shown on Form 8849

EIN or SSN

Total refund (see instructions)

\$

Caution. The alcohol fuel mixture credit, biodiesel mixture credit, renewable diesel mixture credit, and alternative fuel mixture credit must first be taken as a credit against your taxable fuel liability (gasoline, diesel fuel, and kerosene) reported on Form 720. Similarly, the alternative fuel credit must first be taken on Form 720 as a credit against your alternative fuel or CNG tax liability. If you have these tax liabilities and you did not make the claim on Schedule C (Form 720) as a credit against those liabilities, you must first file Form 720X, Amended Quarterly Federal Excise Tax Return, before Form 8849, Schedule 3, can be used for the refund. You cannot claim any amounts on Form 8849 that you claimed (or will claim) on Schedule C (Form 720), Form 720X, or Form 4136, Credit for Federal Tax Paid on Fuels.

Claimant's registration no. © _____

Enter your registration number, including the prefix, on the entry line above. Line 3 claimants must enter their AL or AM registration number.

Period of claim: Enter month, day, and year
in MMDDYYYY format.

From © _____

To © _____

1 Alcohol Fuel Mixture Credit

Claimant produced an alcohol fuel mixture by mixing taxable fuel with alcohol. The alcohol fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

	(a) Rate	(b) Gallons of alcohol	(c) Amount of claim Multiply col. (a) by col. (b).	(d) CRN
a Alcohol fuel mixtures containing ethanol	\$.45			393
b Alcohol fuel mixtures containing alcohol (other than ethanol)	.60			394

2 Biodiesel or Renewable Diesel Mixture Credit

Biodiesel mixtures. Claimant produced a mixture by mixing biodiesel with diesel fuel. The biodiesel used to produce the mixture met ASTM D6751 and met EPA's registration requirements for fuels and fuel additives. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, the Statement of Biodiesel Reseller. **Renewable diesel mixtures.** Claimant produced a mixture by mixing renewable diesel with liquid fuel (other than renewable diesel). The renewable diesel used to produce the renewable diesel mixture was derived from biomass, and met EPA's registration requirements for fuels and fuel additives, and met ASTM D975, D396, or other equivalent standard approved by the IRS. The mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant. Claimant has attached the Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller, both of which have been edited as discussed in the instructions for line 2. See the instructions for line 2 for information about renewable diesel used in aviation.

	(a) Rate	(b) Gallons of biodiesel or renewable diesel	(c) Amount of claim Multiply col. (a) by col. (b).	(d) CRN
a Biodiesel (other than agri-biodiesel) mixtures	\$1.00			388
b Agri-biodiesel mixtures	1.00			390
c Renewable diesel mixtures	1.00			307

3 Alternative Fuel Credit and Alternative Fuel Mixture Credit

For the alternative fuel mixture credit, claimant produced a mixture by mixing taxable fuel with alternative fuel. Claimant certifies that it (a) produced the alternative fuel, or (b) has in its possession the name, address, and EIN of the person(s) that sold the alternative fuel to the claimant; the date of purchase; and an invoice or other documentation identifying the amount of the alternative fuel. The claimant also certifies that it made no other claim for the amount of the alternative fuel, or has repaid the amount to the government. The alternative fuel mixture was sold by the claimant to any person for use as a fuel or was used as a fuel by the claimant.

	(a) Rate	(b) Gallons or gasoline gallon equivalents (GGE)	(c) Amount of claim Multiply col. (a) by col. (b).	(d) CRN
a Liquefied petroleum gas (LPG)	\$.50			426
b "P Series" fuels	.50			427
c Compressed natural gas (CNG)(GGE = 121 cu. ft.)	.50			428
d Liquefied hydrogen	.50			429
e Any liquid fuel derived from coal (including peat) through the Fischer-Tropsch process	.50			430
f Liquid fuel derived from biomass	.50			431
g Liquefied natural gas (LNG)	.50			432
h Liquefied gas derived from biomass	.50			436
i Compressed gas derived from biomass (GGE = 121 cu. ft.)	.50			437

For Privacy Act and Paperwork Reduction Act Notice, see Form 8849 instructions.

Cat. No. 27451F

Schedule 3 (Form 8849) (Rev. 10-2009)

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What's New

c After September 30, 2009, is a carbon capture requirement to claim the credit for the liquid fuel derived from coal through the Fisher-Tropsch process. See the instructions for line 3 for the claim requirements.

Reminders

The refund claimed on Schedule 3 can be less than \$200 if the claim is filed electronically. For more information on filing electronically, visit the IRS *e-file* website at www.irs.gov/efile.

General Instructions

Coordination With Excise Tax Credit

Only one credit may be taken with respect to any gallon of alcohol reported on line 1, biodiesel or renewable diesel reported on line 2, or alternative fuel reported on line 3. If any amount is claimed (or will be claimed), with respect to any gallon of alcohol, biodiesel, renewable diesel, or alternative fuel on Form 720, Form 720X, or Form 4136, then a claim cannot be made on Form 8849 for that gallon of alcohol, biodiesel, renewable diesel, or alternative fuel.

Excise Tax Liability

Persons who blend an untaxed liquid with taxable fuel to produce a taxable fuel mixture outside the bulk transfer terminal system must pay the excise tax on the volume of the untaxed liquid in the mixture.

See Form 720 to report these taxes. You also must be registered with the IRS as a blender (M registrants). Line 3 claimants must also have an AL or AM registration number. See Form 637, Application for Registration (For Certain Excise Tax Activities).

Total Refund

Add all amounts in column (c) and enter the result in the total refund box at the top of the schedule. See *Claim requirements* for each type of claim.

Amount of Refund

Multiply the number of gallons or gasoline gallon equivalents by the rate and enter the result in the boxes for column (c).

How To File

Attach Schedule 3 to Form 8849. On the envelope write "Fuel Mixture Claim" and mail to the IRS at the address under *Where To File* in the Form 8849 instructions.

Specific Instructions

Line 1. Alcohol Fuel Mixture Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of alcohol in the mixture.

Claim requirements. The alcohol fuel mixture credit may not be claimed for alcohol produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for an alcohol fuel mixture sold or used during a period that is at least 1 week.
2. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.
3. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alcohol fuel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 1–3 above are not met, see *Annual Claims* under *Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

How to claim the credit. Any alcohol fuel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability for gasoline, diesel fuel, and kerosene reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, Form 4136, or Form 6478. See Notice 2005-4 and Notice 2005-62 for more information.

Line 2. Biodiesel or Renewable Diesel Mixture Credit

Claimant. The person that produced and sold or used the mixture in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of biodiesel or renewable diesel in the mixture. The biodiesel used to produce the biodiesel mixture must meet ASTM D6751 and meet the Environmental Protection Agency's (EPA) registration requirements for fuels and fuel additives under section 211 of the Clean Air Act. The renewable diesel used to produce the renewable diesel mixture must be derived from biomass, meet EPA's registration requirements for fuels and fuel additives under section 211 of the Clean Air Act, and meet ASTM D975, D396, or other equivalent standard approved by the IRS. Renewable diesel also includes fuel derived from biomass that meets a Department of Defense specification for military jet fuel or an ASTM specification for aviation turbine fuel. For a renewable diesel mixture used in aviation, kerosene is treated as if it is diesel fuel.



Renewable diesel does not include any fuel derived from coprocessing biomass (as defined in section 45K(c)(3)) with a feedstock that is not biomass.

Claim requirements. The biodiesel mixture credit may not be claimed for biodiesel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. The claim must be for a biodiesel or renewable diesel mixture sold or used during a period that is at least 1 week.

2. The claimant has a certificate from the producer. See *Certificate* below for details.

3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.

4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for a biodiesel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 1–4 above are not met, see *Annual Claims under Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

Certificate. The Certificate for Biodiesel and, if applicable, Statement of Biodiesel Reseller must be attached to the first claim filed that is supported by the certificate or statement. For the renewable diesel mixture credit, you must edit the certificate and, if applicable, statement to indicate that the fuel to which the certificate and statement relate is renewable diesel and state the renewable diesel meets the requirements discussed earlier under *Claimant*. See Model Certificate O and Model Certificate S in Pub. 510. If the certificate and statement are not attached to Schedule 3 because they are attached to a previously-filed claim on Schedule C (Form 720), attach a separate sheet with the following information.

1. Certificate identification number.
2. Total gallons of biodiesel or renewable diesel on certificate.
3. Total gallons claimed on Schedule C (Form 720), line 13.

How to claim the credit. Any biodiesel or renewable diesel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability for gasoline, diesel fuel, and kerosene reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, Form 4136, or Form 8864. See Notice 2005-4 and Notice 2005-62 for more information.

Line 3. Alternative Fuel Credit and Alternative Fuel Mixture Credit

Claimant. For the alternative fuel credit, the registered alternative fueler who (1) sold an alternative fuel at retail and delivered it into the fuel supply tank of a motor vehicle or motorboat, (2) sold an alternative fuel, delivered it in bulk for taxable use in a motor vehicle or motorboat, and received the required statement from the buyer, (3) used an alternative fuel (not sold at retail or in bulk as previously described) in a motor vehicle or motorboat, or (4) sold an alternative fuel for use as a fuel in aviation is the only person eligible to make this claim.

For the alternative fuel mixture credit, the registered alternative fueler that produced and sold or used the mixture as a fuel in their trade or business is the only person eligible to make this claim. The credit is based on the gallons of alternative fuel in the mixture.

Claim requirements. The alternative fuel credit and alternative fuel mixture credit may not be claimed for alternative fuel produced outside the United States for use as a fuel outside the United States. The United States includes any possession of the United States. The following requirements must be met.

1. You must be registered with the IRS.
2. The claim must be for an alternative fuel or alternative fuel mixture sold or used (as described above under *Claimant*) during a period that is at least 1 week.
3. The amount of the claim must be at least \$200 unless the claim is filed electronically. To meet the minimum, amounts from lines 1, 2, and 3 may be combined.
4. The claim must be filed by the last day of the first quarter following the earliest quarter of the claimant's income tax year included in the claim. For example, a calendar-year claimant's claim for an alternative fuel mixture sold or used during June and July must be filed by September 30.

Note. If requirements 2–4 above are not met, see *Annual Claims under Additional Information for Schedules 1, 2, and 3* in the Form 8849 instructions.

Carbon capture requirement. A credit for liquid fuel derived from coal (including peat) through the Fisher-Tropsch process can be claimed only if the fuel is derived from coal produced at a gasification facility which separates and sequesters the following percentage of the facility's total carbon dioxide emissions.

c 50% for fuel produced after September 30, 2009, and before December 31, 2009.

c 75% for fuel produced after December 30, 2009.

How to claim the credit. Any alternative fuel credit must first be taken on Schedule C to reduce your liability for alternative fuel and CNG reported on Form 720. Any alternative fuel mixture credit must first be taken on Schedule C to reduce your taxable fuel liability for gasoline, diesel fuel, and kerosene reported on Form 720. Any excess credit may be taken on Schedule C (Form 720), Form 8849, or Form 4136.

Section references are to the Internal Revenue Code.

What's New

Changes are discussed under *What's New* in the instructions for each schedule.

Reminders

c You can electronically file Form 8849 through any electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) participating in the IRS *e-file* program for excise taxes. For more information on *e-file* and its availability, visit the IRS website at www.irs.gov/efile.

c Qualified subchapter S subsidiaries (QSubs) and eligible single-owner disregarded entities are treated as separate entities for excise tax and reporting purposes. QSubs and eligible single-owner disregarded entities must pay and report excise taxes (other than IRS Nos. 31, 51, and 117), register for excise tax activities, and claim any refunds, credits, and payments under the entity's employer identification number (EIN). These actions cannot take place under the owner's taxpayer identification number (TIN). Some QSubs and disregarded entities may already have an EIN. However, if you are unsure, please call the IRS Business and Specialty tax line at 1-800-829-4933.

Generally, QSubs and eligible single-owner disregarded entities will continue to be treated as disregarded entities for other federal tax purposes (other than employment taxes). Thus, taxpayers filing Form 4136, Credit for Federal Tax Paid on Fuels, with Form 1040, Individual Income Tax Return, can use the owner's TIN. For more information on these new regulations, see Treasury Decision (T.D.) 9356. You can find T.D. 9356 on page 675 of Internal Revenue Bulletin 2007-39 at www.irs.gov/pub/irs-irbs/irb07-39.pdf.

General Instructions

Purpose of Form

Use Schedules 1, 2, 3, 5, and 8 to claim certain fuel related refunds such as nontaxable uses (or sales) of fuels. Form 8849 lists the schedules by number and title.

Use Schedule 6 for claims not reportable on Schedules 1, 2, 3, 5, and 8, including refunds of excise taxes reported on:

c Form 720, Quarterly Federal Excise Tax Return;

c Form 730, Monthly Tax Return for Wagers;

c Form 11-C, Occupational Tax and Registration Return for Wagering; and

c Form 2290, Heavy Highway Vehicle Use Tax Return. Filers only need to complete and attach to Form 8849 the applicable schedules.

Do not use Form 8849:

c To make adjustments to liability reported on Forms 720 filed for prior quarters. Instead, use Form 720X, Amended Quarterly Federal Excise Tax Return.

c To claim amounts that you took or will take as a credit on Schedule C (Form 720), Form 730, Form 2290, or Form 4136.

Additional Information

c Pub. 510, Excise Taxes, has more information on nontaxable uses, and the definitions of terms such as ultimate vendor and blocked pump. Pub. 510 also contains information on fuel tax credits and refunds.

c Pub. 225, Farmer's Tax Guide, also includes information on credits and refunds for the federal excise tax on fuels applicable to farmers.

You may also call the business and specialty tax line at 1-800-829-4933 with your excise tax questions.

How To Fill In Form 8849

Name and Address

Print the information in the spaces provided. Begin printing in the first box on the left. Leave a blank box between each name and word. If there are not enough boxes, print as many letters as there are boxes. Use hyphens for compound names; use one box for each hyphen.

P.O. box. If your post office does not deliver mail to your street address and you have a P.O. box, show your box number instead of your street address.

Foreign address. Enter the information in the following order: city, state or province, and the name of the country. Follow the country's practice for entering the postal code. Do not abbreviate the country's name.

Taxpayer Identification Number (TIN)

Enter your employer identification number (EIN) in the boxes provided. If you are not required to have an EIN, enter your social security number (SSN). An incorrect or missing number will delay processing your claim.

Month Income Tax Year Ends

Enter the month your income tax year ends. For example, if your income tax year ends in December, enter "12" in the boxes. If your year ends in March, enter "03."

Signature

Form 8849 must be signed by a person with authority to sign this form for the claimant.

Where To File

c For Schedules 1 and 6, mail Form 8849 to:

Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0002

c For Schedules 2, 3, 5, and 8, mail Form 8849 to:

Internal Revenue Service
P.O. Box 312
Covington, KY 41012-0312

Caution. Private delivery services designated by the IRS cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address. For details on designated private delivery services, see Pub. 509, Tax Calendars.

Including the Refund in Income

Include any refund of excise taxes in your gross income if you claimed the amount of the tax as an expense deduction that reduced your income tax liability.

Cash method. If you use the cash method and file a claim for refund, include the refund amount in your gross income for the tax year in which you receive the refund.

Accrual method. If you use an accrual method, include the amount of refund in gross income for the tax year in which you used the fuels or sold the fuels if you are a registered ultimate vendor or registered credit card issuer.

Specific Instructions**Information for Completing Schedules**

Note. Your refund will be delayed or Form 8849 will be returned to you if you do not follow the required procedures or do not provide all the required information. See the instructions for each schedule.

Complete each schedule and attach all information requested for each claim you make. Be sure to enter your name and TIN on each schedule you attach. Generally, for each claim, you must enter the following information:

c Period of the claim.

c Item number (when requested) from the *Type of Use Table* below.

c Rate (as needed). See the separate schedule instructions.

c Number of gallons.

c Amount of refund.

If you need more space for any line on a schedule (for example, you have more than one type of use) prepare a separate sheet with the same information. Include your name and TIN on each sheet you attach.

Period of Claim

Enter the period of the claim for each type of claim using the MMDDYYYY format. For example, the first quarter of 2009 for a calendar-year taxpayer would be 01012009 to 03312009.

Type of Use Table

The following table lists the nontaxable uses of fuels. You must enter the number from the table in the **Type of Use** column as required on Schedules 1 and 2.

No.	Type of Use
1	On a farm for farming purposes
2	Off-highway business use (for business use other than in a highway vehicle registered or required to be registered for highway use) (other than use in mobile machinery)
3	Export
4	In a boat engaged in commercial fishing
5	In certain intercity and local buses
6	In a qualified local bus
7	In a bus transporting students and employees of schools (school buses)
8	For diesel fuel and kerosene (other than kerosene used in aviation) used other than as a fuel in the propulsion engine of a train or diesel-powered highway vehicle (but not off-highway business use)
9	In foreign trade
10	Certain helicopter and fixed-wing aircraft uses
11	Exclusive use by a qualified blood collector organization
12	In a highway vehicle owned by the United States that is not used on a highway
13	Exclusive use by a nonprofit educational organization
14	Exclusive use by a state, political subdivision of a state, or the District of Columbia
15	In an aircraft or vehicle owned by an aircraft museum
16	In military aircraft

Types of Use 13 and 14. Generally, claims for sales of diesel fuel, kerosene, kerosene for use in aviation, gasoline, or aviation gasoline for the exclusive use of a state or local government (and nonprofit educational organization for gasoline or aviation gasoline) must be made following the order below.

1. By the registered credit card issuer if the state or local government (or nonprofit educational organization if applicable) used a credit card and the credit card issuer meets the requirements discussed in the Schedule 8 (Form 8849) instructions.

2. By the registered ultimate vendor if the ultimate purchaser did not use a credit card and the ultimate vendor meets the requirements discussed in the Schedule 2 (Form 8849) instructions.

3. By the ultimate purchaser if the ultimate purchaser used a credit card and neither the registered credit card issuer nor the registered ultimate vendor is eligible to make the claim.

For additional requirements, see Pub. 510.

Additional Information for Schedules 1, 2, and 3

Annual Claims

If a claim was not made for any gallons during the income tax year on Form 8849, an annual claim may be made. Generally, an annual claim is made on Form 4136 for the income tax year during which the fuel was:

- c Used by the ultimate purchaser;
- c Sold by the registered ultimate vendor;
- c Purchased with a credit card issued by a registered credit card issuer (except for gasoline and aviation gasoline);
- c Used to produce alcohol fuel mixtures, biodiesel or renewable diesel mixtures, and alternative fuel mixtures; or
- c Used in mobile machinery.

The following claimants must use Form 8849 (Schedule 1) for annual claims.

1. The United States.
2. A state, political subdivision of a state, or the District of Columbia (but see *Types of Use 13 and 14* on page 3).
3. Organizations exempt from income tax under section 501(a) (provided that the organization is not required to file Form 990-T, Exempt Organization Business Income Tax Return, for that taxable year).

For claimants included in 1–3 above, the annual Form 8849 for fuel used during the taxable year must be filed within the 3 years following the close of the taxable year. For these claimants, the taxable year is based on the calendar year or fiscal year it regularly uses to keep its books.

Although not an annual claim, the above claimants should use Schedule 3 to claim the alternative fuel credit.

Note. Gasoline used by the above claimants on a farm for farming purposes (type of use 1) is an allowable use on Line 1 of Schedule 1.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on the form and schedules to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle F, Procedure and Administration, of the Internal Revenue Code allows refunds of taxes imposed under Subtitle D,

Miscellaneous Excise Taxes. The form and schedules are used to determine the amount of the refund that is due to you. Section 6109 requires you to provide your taxpayer identification number (SSN or EIN). Routine uses of tax information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement agencies and intelligence agencies to combat terrorism.

You are not required to claim a refund; however, if you do so you must provide the information requested on this form. If you fail to provide all requested information in a timely manner, we may be unable to process this claim. If you provide false or fraudulent information, you may be liable for penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the form and schedules will vary depending on individual circumstances. The estimated average times are:

	Record-keeping	Learning about the law or the form	Preparing, copying, assembling, and sending the form to the IRS
Form 8849	3 hr., 21 min.	24 min.	28 min.
Schedule 1	20 hr., 19 min.	6 min.	25 min.
Schedule 2	11 hr., 43 min.		11 min.
Schedule 3	7 hr., 10 min.	6 min.	13 min.
Schedule 5	3 hr., 35 min.	6 min.	9 min.
Schedule 6	2 hr., 9 min.	24 min.	27 min.
Schedule 8	5 hr., 15 min.		5 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making the form and schedules simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form 8849 to this address. Instead, see *Where To File* on page 3.

Meekins, Tanya

From: Larry Schafer <(b) (6)>
Sent: Thursday, January 24, 2013 7:59 AM
To: Argyropoulos, Paul
Subject: RE: Are we still on for tomorrow at 2 pm?

Do you have a call in number set up ... I would like NBB's technical director who is located in MO to participate ...

If you don't have one ... then I can set one up ...

Please let me know ...

Thanks

Larry Schafer
National Biodiesel Board

O: (b) (6)
M: (b) (6)
(b) (6)

Biodiesel – America's Advanced Biofuel!
www.americasadvancedbiofuel.com

1331 Pennsylvania Ave. NW
Suite 505
Washington DC 20004

-----Original Message-----

From: (b) (6) [mailto:(b) (6)]
Sent: Wednesday, January 23, 2013 4:45 PM
To: (b) (6)
Subject: Re: Are we still on for tomorrow at 2 pm?

Yup
Paul N. Argyropoulos
Senior Policy Advisor
Office of Transportation and Air Quality US. EPA
Email: (b) (6)
Phone: (b) (6)
Mobile: (b) (6)

----- Original Message -----

From: "Larry Schafer" (b) (6)
Sent: 01/23/2013 09:34 PM GMT
To: Paul Argyropoulos
Subject: Are we still on for tomorrow at 2 pm?

Larry Schafer

The Diamond Group

-- and --

National Biodiesel Board

(b) (6)

(b) (6)

(b) (6)

T: (b) (6)

O: (b) (6)
